

MINUTES OF PRICING Committee MEETING
Washington, DC
1:30 PM, 24 January 2006

Introductions and Approval of Minutes

Mark Muriello and Patrick DeCorla-Souza opened the meeting with introductions and passing around a sign in sheet for those new to the meeting. The minutes of the summer meeting were approved.

TRB Report

Martine Micozzi gave the TRB Report. Martine said that the summer meeting would be July 9 – 11th in San Diego. The committee is sponsoring a workshop on Wednesday, July 12th. There was an announcement that HOV Systems will be joining this midyear meeting.

Full Committee Status

Mark explained the structure of the committee, with three subcommittees on outreach, multimodal pricing, and economics of pricing (joint subcommittee with Transportation Economics). Tony May thought that there was to be a separate research subcommittee. Patrick said that each subcommittee was handling research now. Mark said how the focus of the committee as a whole was on research, albeit with a broad focus on pricing across modes. This will eventually include airports and freight in addition to pricing for roads and transit.

Mark said that TRB allocated 2.2 sessions per committee; the approach of this committee is to leverage sessions by co-sponsoring sessions with other committees. The deadline on sponsoring sessions is June 1, so what is not worked out in the meeting will have to be done by email as a follow up. He invited ideas from the committee for what should it sponsor for January 2007 meeting.

Mark said that the TRB *Critical Issues* document should be used to help focus the work of the committee. Emergencies, equity, finance, and congestion are among the areas touched on by this committee. These issues suggest links with other committees for sponsoring sessions. He passed out a survey on information needs that to be fed back to TRB by February 17th. It deals with type, source, and quality of information needed. (*A form is attached. Please fill it in and send to Mark Muriello at:* mmuriello@panynj.gov)

Bob Poole asked why the scope expanded and the title changed without input from the committee members. Martine said that the scope of the committee had to be broader than originally suggested in order for TRB to approve it. For example, all new committees are required to be multimodal. Patrick explained that “congestion pricing” was chosen as a way to broaden the focus of the committee from road pricing. Bob said that “congestion” was only one of the reasons for pricing, so he saw this as a restriction on the committee’s activities. Doug Lee explained that the decision was made by the TRB Executive

Committee. In part, “congestion” was added to the title to narrow the scope a little. The scope is meant to be evolutionary.

Ed Regan asked if the committee was prohibited from looking at pricing other than for congestion; Mark said that he thought that it was more inclusive than that. There was some discussion of whether to ask to change the name to “Transportation Pricing” instead “Congestion Pricing.” Steve Fitzroy said that the joint subcommittee on the economics of pricing was meant to provide a focus on pricing for other reasons. If so, the logic the committee suggested was that the committee should have a broader name to fit the role. Mark read the committee scope, which supported the broader focus. The committee voted to recommend to TRB that the name should be changed to “Transportation Pricing.”

Mark continued the discussion by noting that the subcommittees should also focus on research ideas to give feedback to TRB by February 17th.

David Ungemah said that the committee hoped to have a web site up soon. Suggestions on the format are welcome.

Status of Federal Program

Patrick gave an update of federal programs. Basically, the programs have gotten much more complex with a total of six programs instead of the former three. To address this complexity, FHWA has one-stop shopping for introducing those who want to advance a pricing program to help them through the hoops. Only value pricing has money that can be applied for. Some of the differences under SAFETEA-LU include not funding HOV-to-HOT conversions under the Value Pricing Program because the process has been mainstreamed. Note that this includes no funding for evaluation beyond the initial three years of HOV conversion, even through the original agreements required ten years of data. There was comment on the lack of a consistent format in data collection and evaluation on these programs. Myron Swisher said that “making money” was a goal of tolling in Colorado, which obscured other possible measures.

There is a three-million dollar set-aside for non-toll projects.

Subcommittee Reports

Lee Munnich gave a report on the outreach subcommittee. The committee is focused on what pricing means, which means interacting with other groups and committees. There have been three areas of activities: public communication and involvement, working with key stakeholder groups, and political aspects of pricing (education only). Lee said that without political champions, these projects will not happen, so the last area is very important. There are a lot of research projects related to these areas, for example, research with focus groups in Washington State. Other activities have included the workshop on the first Sunday of the January conference and the workshop in the summer. The latter includes anyone who is interested as well as the project partners. Ed Regan asked if there was a mechanism to disseminate the information from the focus groups about tolling. Patrick said that this would be a good synthesis project, but Lee was

identified as the focus currently for information coming in. Lee said that posting the information was one thing, but synthesizing it would take more effort. Ed gave an example of information generated by NC DOT polling meeting participants about preferences for raising money, with the result that most preferred tolling and pricing comparing with most opposing tax increases. He wished that information like this could be more widely known. Patrick said that they would encourage projects to pass information like that along.

The synthesis idea would have to be written up and submitted to NCHRP by February 10th. Patrick said that co-sponsorship by state DOTs was important as well. There was some interest indicated by Washington (Charles Prestrud), Texas (Matt MacGregor), Minnesota (Ken Buckeye) and Georgia (Erik Steavens). Ed Regan and David Ungemah will write this up.

Bill Stockton gave a report on the multimodal pricing implementation subcommittee. He said that the original impetus was pricing a trip from portal to portal rather than addressing all modes per se. The key word is “implementation.” This means a focus on what has been accomplished by projects and what the pricing implications are. The subcommittee meets tonight.

Steve Fitzroy gave an update on the economics of pricing joint subcommittee. With 34 members prior to this week’s meeting, most of the work will be done over the internet; a web site will be set up soon. There are 34 committees with which liaison would be desirable, but this will take some organizing. Jon Skolnick asked if equity is on the scope; Steve said yes, that it was being approached in conjunction with the EJ Committee. Ed Regan asked if the committee would coordinate and report on what the subcommittees will be doing. Mark said that this was the goal of the committee. Patrick said that this role was necessary, since only the full committee can forward proposals to TRB. Gui Shearin suggested that the minutes of the subcommittee meetings be circulated with those of the main committee to facilitate this exchange of information.

Another joint subcommittee was suggested to deal with TDM and the economics of pricing parking as well as trips. Steve suggested folding that into the existing pricing subcommittee meeting. This should be addressed in the subcommittee meeting to decide the best way to approach this.

Draft Strategic Plan

Ed Sullivan gave a summary of the strategic plan. The draft document was e-mailed earlier with the minutes. He welcomes comments in order to finalize it in the next two months (esulliva@calpoly.edu). It includes four major goals, such as identifying best practice, disseminating knowledge, promoting best practices, and improving the committee over time. Mark said that this plan needs to be finalized by April 1 in order to set a base mark for future evaluation. There will then be the opportunity to evaluate the Committee’s progress one year later. Ed Regan asked what the mechanism was for updating and adopting the plan. He suggested that comments be taken until April 1, then evaluated and presented in the July meeting. That would allow the committee to operate on it beginning April 1 as desired.

There was a question from Erik Steavens on what are policies and procedures for pricing. Since the subcommittees don't focus on this, the question was if the committee will focus on it. Patrick said that Bill Stockton's subcommittee on implementation should address this issue. This would expand implementation to pre-implementation as well. Tony May said that this appeared to be a gap in the Sunday workshop. Michael Replogle suggested that the dialogue should be kept going between meetings, with the committee and subcommittee chairs sending selected emails to the mailing list. Mark said that this also might be addressed at the mid year meeting.

Plans for Mid-Year and Annual Meetings

Steve Fitzroy said that he will be working with Doug Lee to develop sessions for the Mid-Year meeting that are of interest to the Committee. (*If you have suggestions, please contact Steve.*) Sessions and the workshop constitute the main activities. For the January 2007 Annual Meeting Workshop, Bill Stockton proposed that there will be a joint portion with the finance committee: Michael Replogle, Jeff Buxbaum, Matt MacGregor, and Erik Steavens will assist Bill Stockton in a small working group to develop the plans for the January 2007 Workshop.

Plans for Themes in *TR News*

Jon Skolnick suggested that one topic could be the throughput of priced versus non-priced lanes. Pricing issues for different stakeholder groups as well as defining pricing could be one set of themes. Pricing equity issues might also be added. There was also the question of institutional change—how to create organizations to implement pricing. Jeff Buxbaum related this to the broader issue of explaining the role of pricing in where we are trying to get with transportation. Patrick asked for volunteers to develop and coordinate the *TR News* issue efforts. Mike Lawrence will lead the effort and draw from those with ideas, who gave him their cards.

Updates from Related Committees

There were brief updates from related committees (see agenda). There were some joint sessions that came out of the collaboration with the HOV Systems Committee, which is also working on finding more positive language than HOV to HOT “conversion,” such as using the word “adapting.” Ginger Goodin said that the HOV pooled funding is working better than the regular NCHRP funding approach because with NCHRP funding all states get an equal vote and not all are concerned with HOV. The Freeway Operations Committee liaison passed out a flyer on a conference in Athens, Greece, in June 2006. Jose Holguin-Veras gave a report on the freight committee. David Ungemah talked about the TDM Committee.

Presentations

Jeff Buxbaum gave a presentation on the Washington State Comprehensive Tolling Study. This is basically a policy level framework for if, where, when, and how to toll. This was not a project specific effort. A big part of it was on communication, with public

attitude research being part of it. Right now, no one in the public knows what tolling means. The conventional idea is a toll plaza and a 30-year payback period for building a facility. Adding asset and congestion management to it is the innovation. The example of peak electricity usage was given. The objective is primarily management, but added revenue is important as well. Setting criteria for what projects to toll is another question. What to do with the money is a related question, given that the tolls are not necessarily set to just build a facility, as is the level to toll to be set. Equity is also an issue. More information is on www.wstc.wa.gov/tolling.

Tony May gave an update on U.K. pricing initiatives outside London. The local jurisdictions have been given the ability to toll. The first one was in Durham in 2002, in which a \$3 charge led to an 85% traffic reduction. The London scheme in 2003 is well known. To encourage others, the government will pay 50% of the up front costs. There are seven projects on a fast track scheme. These communities include Bristol, Cambridge, Durham, Manchester, Shrewsbury, Newcastle, and Birmingham. Greater Manchester is the most interesting with distance based pricing and workplace parking charges, partly because of the multiple centers. There is a road pricing local liaison group set up by the Department for Transport to help local officials prepare their projects.

At the national level, there was a 2001 plan for a national truck pricing scheme to charge the 5% of non UK vehicles; it was abandoned in 2005 on the basis of cost. There was a 2004 proposal to toll all trucks that would give about 48% reduction in congestion nationwide. This is very complex and expensive with 75 charge bands. The current thinking is to try a simpler scheme that would not cover the entire country, but there is no firm commitment as of now. This might be done in conjunction with a reduction in the national fees for fuel and vehicles.

He commented that the London scheme is costing 40 to 60% of revenue, while a better implementation could be done for 15 to 20% of revenue. Tony said that the main goal was congestion relief; proposals to raise money are not being seriously considered unless there are economic efficiency benefits. He said that privacy is not as big a concern as in the US.

Karen Brundell-Freij gave an update on the Stockholm pricing scheme. The central zone is 35 square km. Objectives are to reduce traffic volumes by 10 to 15%, reduce delay and emissions, improve the urban environment, and provide resources for public transport. The forecast is for 15% traffic reduction, but a congested loop road is not being charged for political reasons that might lead to severe congestion. Charging methods include number plate recognition with car owner responsible for payment, and payment with transponders tied to a bank account or payment in shops within five days. Individual notices on the need to pay are not sent to those who cross the cordon. The charges vary from \$1.30 to \$2.60, depending on the time of day, with a \$7.20 daily limit on charges. The revenue would be about \$10 million/month, which would be used for transport or tax rebate. The costs are \$490 million, of which 10% are for data and evaluation. Trucks pay the same as private cars. Buses are free. Given that it is a short trial, there are a lot of data generated and posted. There was improved public transport and park-and-ride implemented six months before the trial began. The money for those will run out at the end of the trial.

The results have led to 27% reduction in traffic, or 120,000 fewer vehicles entering the cordoned area. Travel time has been reduced considerably on measured routes. There are only 20,000 more public transport passengers, but where the remaining 100,000 vehicle drivers went is unknown. The loop bypass has not increased its traffic, however. Off-peak congestion has not been increased although the peaks have been flattened somewhat. The trial ends on 31 July, there is a City vote on 17 September as part of a general election. If the City votes against it, it will not continue. If the City votes for it, the outcome is less clear because there are some groups that oppose it in the National Assembly, which must approve it. NGOs are marketing the results, but the government cannot do that. There is desire for an “after” evaluation of the post-trial period, but there is no money for it yet.

The trial was opposed by over 50% of the county residents, and even more opposed a permanent charging scheme. Mode share for transit is already high.

Adreas Kossak described the tolling of trucks on the autobahn. Selected aspects of it include a decision in 1999 to toll heavy trucks with GPS tolling, with option to extend it to all roads and types of vehicles. The amount of toll is based on the damage caused by trucks, the toll rate is about \$0.25 per vehicle mile. The revenue is split 50-50 between highway and the other modes. The system covers 12,000 km of autobahn and about 1.2 – 1.4 million trucks with 0.4 – 0.5 million being foreign trucks. The annual revenue is \$3.45 billion, toll violation rate < 2%. Only about 500,000 trucks have on-board units—the rest must pay manually. There are about one million tolling transactions per day. System reliability is > 99%, with 95% required. Data show little impact except that unloaded trucks have dropped 15%. Prices and freight charges have not changed. There has been a small (6.6%) shift of traffic to non-toll routes, but this figure might be lower since the percentage was dropping through out the year. Some of the main non-toll routes will be tolled later this year; others have been closed to through trips by heavy trucks. The political discussion has been restarted to try to expand the tolling, but there is a debate on uses of the money and whether to apply it to passenger cars. He concluded with a mention of PPP projects for bridges, tunnels, and mountain passes to toll all projects; an “F” model has two projects implement with five more proposed. There is also an “A” model for tolling congested autobahn lanes with the use of the money being to improve the highway as well as manage congestion. The official figure for cost of collection is 20% of the revenue.

Brief Updates on Research and Needs

Ken Buckeye described the process on the NCHRP project on the impacts of pricing. A team has been selected, but there is no announcement yet. Patrick described a USDOT expert forum on tolling and travel demand modeling in November—no report yet. Michael Replogle said that activity based travel modeling is coming more to the fore to address time of day of travel. Jose Luis Muscovich said that the San Francisco activity based model is ready to go. Tyler Patterson described some of the results of the mid-year workshop. Contact him for his notes on the workshop.

Roundtable Discussion

IBTTA, EDF, APTA, Hudson Institute, Reason Foundation, and others have issued a challenge to the state and local officials to consider tolling when expanding highways or any improvement project.

The meeting adjourned at 5:35 PM.

Attachment: ***Information Needs Survey Form***

TRB TRANSPORTATION INFORMATION NEEDS ASSESSMENT

Congestion Pricing Committee

In Section 5601 of the Surface Transportation Reauthorization Act, SAFETEA-LU, Congress mandated that the US DOT contract with the National Academies, ultimately with TRB, to conduct a Transportation Information Needs Assessment Study. SAFETEA-LU places important demands on transportation information, but the funding to support the collection of transportation data has been diminished. We expect that the results of this TRB study will have significant impacts on both policies and funding for the collection of transportation data in the future.

While this study will be conducted by the Studies and Information Services Division of TRB, much experience and knowledge resides in the Technical Activities Division, the home of our standing committees. To benefit from that knowledge, each TRB committee is being asked to devote some time at its meeting in January to the issue of future transportation information needs. Committees are requested to set aside at least 15 minutes during your committee meeting to discuss these questions:

1. What are the key unmet transportation information needs for you and/or those you work with or support? “Unmet Needs” are defined as those (1) where underlying data and/or appropriate analytical tools are not currently available or accessible, or (2) where the quality of such data and/or analytical tools is insufficient to support design, operation, prioritization, policy or planning decisions.

2. What are the likely sources of both the data and the information you desire? Include both public sector and private sector sources. Note that we consider data to be raw measures, whereas information is data that is processed to make it useful in planning and decision-making. Regarding information you desire, specific sources of underlying data and desired analytical capabilities to process such data should be identified.

Name _____ E-mail _____